RESOURCE DEVELOPMENT COORDINATING COMMITTEE

Department of Natural Resources Room 1040 September 9, 2003

Minutes

WRIGHT, Carolyn – GOPB/DNR

LANDURETH, Brenda – DNR Admin

NITSCHKE-SINCLEAR, Jean, BLM

Member Present: Others Present:

SOWARDS, Glade – Utah Energy Office

MILLIS, Eric – Division of Water Resources

KAPPE, Karl - Division of Forestry, Fire and State Lands

TABET, David – Utah Geological Survey

ELDREDGE, Sandy – Utah Geological Survey

LARSON, Rick – Division of Wildlife Resources

SCHLOTTHAUER, Bill – Division of Water Rights

BIRKES, William B. DEQ Water Quality

GRUTBAUGH-LITTIG, PAM – Division of Oil, Gas and Mining

BLATTER, Therron – Division of Environmental Quality – Environmental Response

CHRISTY, Kim – SITLA

KEENE, Michael – Technology & Science

I. Approval of Minutes

Glade Sowards called the meeting to order at approximately 9:00 a.m. Michael Keene made a motion to approve the August 12, 2003 minutes with a correction submitted by Karl Kappe. Karl Kappe seconded the motion. The motion passed unanimously.

II. Special Presentations/Discussion

Jean Nitschke-Sinclear – Resource Development Group (RDG) Uinta Basin Natural Gas Project Draft Environmental Impact Statement (DEIS)

Other Important Projects/Proposals

Inland Field Development Environmental Impact Statement (EIS) is coming out the first part of November. Bureau of Land Management (BLM) will provide an update to the Resource Development Coordinating Committee (RDCC). The Uinta Basin Division is working on the Questar QEP Field Development Proposal/EIS for the Greater Deadman Bench Oil and Gas Region. BLM will introduce these projects and provide an opportunity to comment.

Jean Nitschke-Sinclear provided a few hard copies of the Draft Environmental Impact Statement (DEIS) and a few compact disks of the RDG DEIS. The document is also available on their website, however, it takes approximate 30 to 45 minutes to download and open.

This RDG Natural Gas Project DEIS has four partners:

Rose Wood Resources White River Resource Management (bought out by Dominion) Phoenix Energy Kidd Family Partnership The purpose of the DEIS is to facilitate and analyze the development of existing natural gas leases by these partners in the Uinta Basin. The project area is located 50 miles south of Vernal (T11 and 12 S: R 22-24E), in Uintah County. It is bordered on the south by the White River and on the east side by Bitter Creek. The project area is 79,914 acres. BLM manages the largest area of this project, however, state lands and patented lands are also involved.

The Notice of Intent was published in October 1999. Public scoping and stakeholder meetings have been conducted (1999 and 2000). The DEIS is currently out for public comment. The comment period closes on September 22, 2003. The decision maker of the project is the BLM state director, Sally Wisely.

Existing facilities of the project area includes 64 wells, 139 miles of roads and 4 compressors. The proposed alternative will include 423 wells (14-20 wells per year) and an additional 127 miles of roads, and one additional compressor. The proposed project drilling for wells will be spaced 40 to 160 acres apart depending upon geologic structure and gas reservoirs. Primarily formations are the Mesa Verde and Wasatch and also going into secondary formations that include the Dakota and the Weber Sandstones. A 2D or 3D seismic inventory of the project area will be conducted with minimum operating disturbance. The life expectancy of the project is 20 years. Water rights for project drilling fluids will be obtained from a flowing well (20 acre-feet per year), additional surface water rights from Evac Creek (5 acre-feet per year) and additional water rights from four flowing wells within the project area.

Proposed Alternative

Alternative 2

This alternative consists of the same production figures and the same drilling scenarios, however there are some additional environmental concerns that the 1989 Book Cliffs Resource Management Plan (RMP) does not include or for which the RMP is outdated. This alternative has incorporated the Diamond Mountains RMP's guidance in regard to timing and spacing restrictions relative to wildlife, sensitive soils and other sensitive resource values, which are consistent with other approved development endeavors.

Alternative 3

This alternative incorporates additional environmental concerns regarding crucial winter deer habitat, wilderness agreements. Additional environmental guidance for conservation species strategies for raptors, Mexican spotted owl and sage grouse.

No action alternative means that there is no change in current management. Approximately 55 new wells will be drilled under the no action alternative. The majority of this area is already under existing state or federal leases. The true no action alternative is not viable for this DEIS. Other actions and alternatives that were submitted are not considered viable alternatives.

Recently, two public meetings were conducted in Salt Lake City and Vernal, Utah. These meetings were lightly attended.

Concerns received to date for the proposed alternatives:

- 1) exceed the 1985 RMP exceed the reasonable foreseeable development scenario. The DEIS will amend/modify this scenario to be more representative of activities in Uinta Basin at this time.
- 2) the document discusses Utah Wilderness Coalition (UWC), wilderness characteristics on wilderness inventory areas (WIA), but this does not carry the same weight and is intended to mention that this area was originally identified. The BLM is waiting on written guidance from Washington later this fall and the DEIS will be changed accordingly. Under FLPMA BLM still has the responsibility to inventory resources. Naturalness, primitive and unconfined recreation areas will be addressed. At the time this document was prepared there was no written guidance on how to apply information regarding the settlement between Secretary Norton and the state of Utah in this DEIS.

Ouestions

Bill Schlotthauer recommended a change on Map 3-1. Karl Kappe asked a question regarding the project boundary. The project boundaries include all of the existing leases owned by the partners. Kim Christy asked about the industry view of the project. Jean Nitschke-Sinclear stated that industry has been very patient and supportive of the process. Within the Uinta Basin several seismic actions have been occurring south of this project. Field development projects are ongoing on the north side of the White River. The Inland Field Development DEIS is located on the west side of the Green River. The oil and gas industry has been very aggressive and will take EPCA as far as it can go to try to meet their contractual quotas. There are concerns that oil and gas reserves will be low this winter. BLM is trying to accommodate them.

Other Items

The trip to Quitchupah Creek was successful. Committee members were able to see the cliff art and the project area to better understand the alternatives. Alternative D looked fairly difficult to implement. If you have any questions please contact Glade Sowards.

III. Report from Agencies on Any Anticipated Projects

Pam Grubaugh-Littig, Division of Oil, Gas and Mining, reported that the Skyline Mine is pumping water from the mine into Electric Lake. Pacific Corp power plant uses coal from the mine and water from Electric Lake for their operation. Pacific Corp and the mine have been trying to solve this problem at a technological level to avoid litigation.

Rick Larson announced that the Division of Wildlife Resources is currently conducting an in-house review of the administrative draft of an Environmental Assessment for the White Rocks Hatchery in Uintah County.

The Division of Forestry, Fire and State Lands has a *Submerged Lands Conference* on September 22-26, 2003.

Bill Schlotthauer announced that the Division of Water Rights (DWRi) has signed a contract to update the groundwater model of northern Utah County. The city will use the model as a management tool.

DWRi will sign an agreement with the National Park Service next week on the reserve rights for Timpanogas Cave National Monument. The Division sent 1,367 letters to individuals that hold unapproved water rights on the Colorado River Basin and power fillings on the rest of the state. Each letter contains a survey/response upon which they can indicate whether they want to withdraw the application or are still interested in pursuing it. This will help to clear Division books.

On September 17, 2003, at 2:00 p.m., in room 303, at the State Capitol building, the Natural Resources Interim Committee is conducting a hearing on a proposed statute change. Currently the law requires that if one-third of water users in an area petition the State Engineer, he can establish a water distribution system and hire a commissioner to distribute water by priority date. The proposed amendment states that if the State Engineer determines that a basin is overdrafting or mining groundwater, the State Engineer can establish a distribution system with the exclusion of single-family water rights. The following areas are currently overdrafted: Beryl, Enterprise, Milford, Parowan, Pahvant, and Cedar City Valley; the Salt Lake Valley is nearly overdrafted.

IV. Review of Proposed Items as Listed on the Project Management Library

Kurt Higgins, School and Institutional Trust Lands, has requested expedited review of a project proposal by September 22, 2003. The project involves a metering system to complement the expansion compressor station (50' X 70' footprint) in Uinta Basin.

V. Adjournment

Next meeting will be held on October 14, 2003, at 9:00 a.m., in room 1060. The Utah Division of Water Resources will bring refreshments for the meeting.

The meeting was adjourned at approximately 9:50 a.m.